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Agenda Item 7b

June 14, 2011

TO: MEMBERS OF THE BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE

I. **SUBJECT:** California Employers' Retiree Benefit Trust (CERBT)
Fund Update

II. **PROGRAM:** CERBT Fund

III. **RECOMMENDATION:** Information only

IV. ANALYSIS:

The CERBT closed April 2011 with 289 contracted employers and assets of \$1.78 billion. These assets are dedicated to prefunding other post-employment benefits (OPEB) of active and retired members. Currently, CERBT staff is engaged in pursuing four significant objectives:

- Guide CERBT employers to align the date of their valuation reports to 6/30/2011, and biennially thereafter. About 200 CERBT employers must change their reporting cycle. This change is required by Governmental Accounting Standard Statement 57 (GASB 57), published in December 2009.
- Educate employers about the three asset allocation strategies that will be offered by the CERBT beginning in fiscal year 2011-12. The CalPERS Board authorized those strategies in March 2011
- Test and implement a new system to record and report CERBT employer assets. This record keeping system is part of CalPERS Investment Office project to implement a new Master Custodian Agreement. Staff expects to complete testing and to implement the system in July 2011.
- Prepare CERBT employers to provide the information required to report in compliance with GASB 43 at fiscal year end. The CERBT is obliged to provide a GASB 43 compliant report for participating employers each fiscal year.

V. STRATEGIC PLAN:

This item is not a specific product of the Strategic or Annual Plans but is part of regular and ongoing workload of the CERBT Program.

VI. RESULTS/COSTS:

None

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